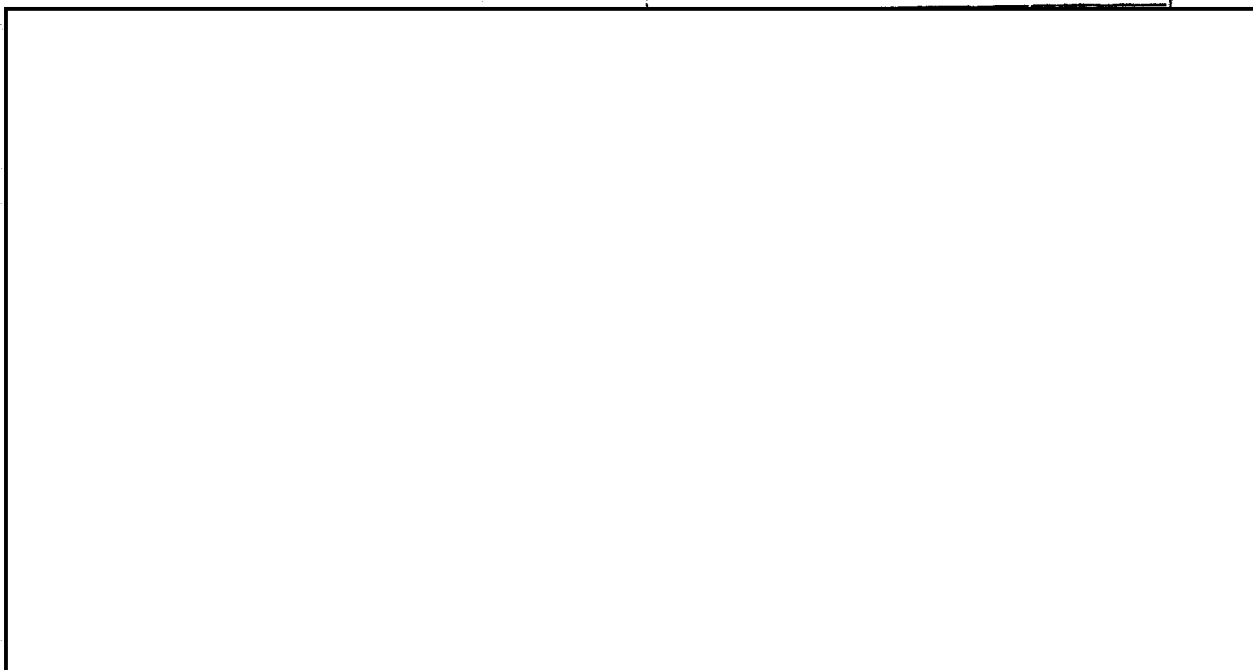


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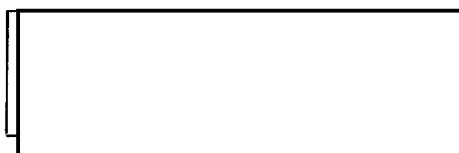
Spanish Sahara: Pawn of Northwest Africa

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6 September 1974

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**SPANISH SAHARA:
PAWN OF NORTHWEST AFRICA**

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SPANISH SAHARA: PAWN OF NORTHWEST AFRICA*

1. Spain is embroiled in controversy with three African countries over the future of Spanish Sahara. Unless Madrid can devise a solution to the problem that is acceptable to all four interested parties—Spain, Algeria, Morocco, and Mauritania—its withdrawal from the territory may lead to further instability, including the possibility of armed conflict. Although the United States has no major interests in Spanish Sahara, its primary concern is to prevent the issue from upsetting the peace of the region.

2. Spanish Sahara, located along the Atlantic coast of northwest Africa, is juridically a Spanish province and is also claimed by Morocco and Mauritania. Algeria has also gone on record as “an interested party” in the future disposition of the area. The discovery of natural resources, primarily phosphates, has made the territory even more valuable to Spain and desirable to its neighbors.

*This memorandum was prepared under the auspices of the National Intelligence Officer for the Middle East. It was principally drafted by CIA and coordinated with State/INR.

3. As one of the last vestiges of European colonialism in Africa, Spanish Sahara has been the focus of much anti-colonial rhetoric and the UN has passed a number of resolutions calling for self-determination for the area. Portugal's recent decision to grant independence to its African territories and renewed Moroccan claims have increased pressure on Spain to relinquish the desert province. Madrid's subsequent decision to hold a referendum in Spanish Sahara next year will generate attempts by the four interested parties to influence the outcome of the vote.

Spanish Stewardship

4. Spain's contacts with the area date from 1476 when it established a fort there, but Madrid showed little interest in the territory until the mid-19th century. At the Congress of Berlin in 1885, Spain unilaterally proclaimed a protectorate over the coastal zone from Cabo Bojador to Cabo Blanco, to be administered from the Canary Islands. The present day borders of Spanish Sahara were derived from a series of Franco-Spanish con-

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ventions between 1900 and 1912 which did not consider questions of historical or ethnic unity.

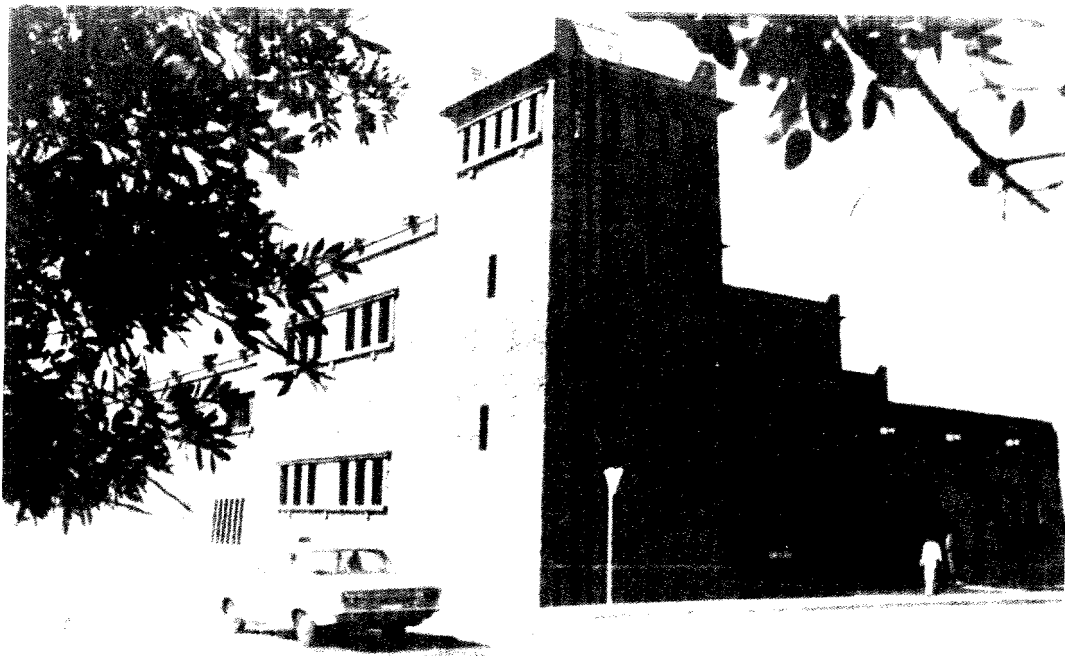
5. In 1958, Madrid declared the territory an overseas province of Spain, following border incursions by armed tribesmen from Morocco. Three years later the province was given limited representation in the Spanish parliament. Political power in the province is concentrated in the hands of the Spanish governor general; he is directly responsible to an official in the office of the Prime Minister. In addition to his civilian function, he is also the commander in chief of all provincial military forces, including the police.

6. The Spanish have invested heavily in the Sahara over the last decade, both in the

phosphate enterprise and in social infrastructure. They have upgraded housing, schooling, and other facilities, with attendant publicity. To protect this investment, blunt international criticism, and postpone a referendum on self-determination, the Spanish in 1967 created a general assembly (Yemaa), composed of 45 tribal chiefs and 40 elected representatives, to act as an advisory body on the province's economic and social development. Thus far the assembly has toed the Spanish line, rejecting outside interference, calling for gradual steps toward self-determination, and reaffirming loyalty to Spain.

Moroccan Irredentism

7. Upon independence in 1956, Morocco laid claim to all of Spain's holdings in north-



General Assembly Building

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western Africa. In a joint declaration and protocol signed in April 1956, Madrid gave up its protectorate zone in the north of Morocco. Spain relinquished the southern protectorate zone of Tarfaya in 1958 and the enclave of Ifni in 1969. Thus, Spain's present holdings include Spanish Sahara and five small *presidios*—the enclaves of Ceuta and Melilla, on the Mediterranean coast of Morocco, and three small offshore islands.

8. Morocco bases its claim to the Spanish Sahara on pre-colonial history, when Moroccan rulers intermittently exercised varying degrees of control over much of the western Sahara. From the 10th thru the 17th centuries, Moroccans looked southward, penetrating Spanish Sahara, Mauritania, southwestern Algeria, and for a short time Mali. At one time or another the nomadic peoples in the area accepted the religious supremacy of the Sultan. The successive waves of Moroccan penetration, however, alternated with periods when Morocco's interest turned northward to Spain. During these times politico-religious chieftains from present day Mauritania extended their control into Morocco, which had several dynasties of Mauritanian origin.

9. Morocco has argued that the territory it recovered from the European powers in 1956 represents only part of the Sultan's historical holdings. Indeed, it was not until 1970 that Rabat recognized the Islamic Republic of Mauritania, ten years after it became independent. Morocco's claim to part of Algeria was the cause of a brief border war in 1963. Both parties signed an agreement in 1972 demarcating their common boundary, but Rabat has not yet ratified it.

10. Rabat also has economic interests at stake in Spanish Sahara. Morocco currently is the third-largest producer and the largest exporter of phosphate rock in the world. Until 1973 when the world phosphate market began

improving, Morocco viewed Spanish Saharan phosphates as a threat to its own important phosphate industry if Spain retained control. Although these fears no longer seem warranted, Rabat would stand to gain a larger source of foreign exchange and government profits if it could acquire control of the area.

Mauritania's Claim

11. Like Morocco, the area of present day Mauritania has exercised varying degrees of influence in the Sahara, especially at times when North African Arabs focused their attention on Spain. Spanish Sahara has no "natural frontiers" and shares its southern and virtually all of its long eastern border with Mauritania. Probably as many Saharan nomads migrate to Mauritania as to Morocco. As a result, many of the tribes of the territory probably have more in common with the Moors who dominate the government in Nouakchott than with the Arabs and Arabized Berbers who rule in Rabat or Algiers. Moreover, the Hassaniya dialect spoken in much of the area is nearly identical to that spoken in Mauritania and quite different from the Maghrebi Arabic spoken in Morocco. Thus history can be used to support Mauritanian as well as Moroccan claims.

Economic Importance

12. Spanish Sahara is an almost completely arid wasteland. Fishing and livestock raising constitute the basis of the native economy. The only crop that can be grown successfully is barley, and that only occasionally in low-lying areas after rain. The discovery of a large underground lake in the Villa Cisneros area has led to some successful experimental farming.

13. The Sahara is important to Spain primarily because of large deposits of high-grade phosphate rock discovered in 1963 in Bu Craa,

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some 60 miles from the coast near Morocco. Reserves, estimated at 1.4 to 1.7 billion tons of minerals, are sufficient to put Spanish Sahara among the world's leading producers and exporters for many years.

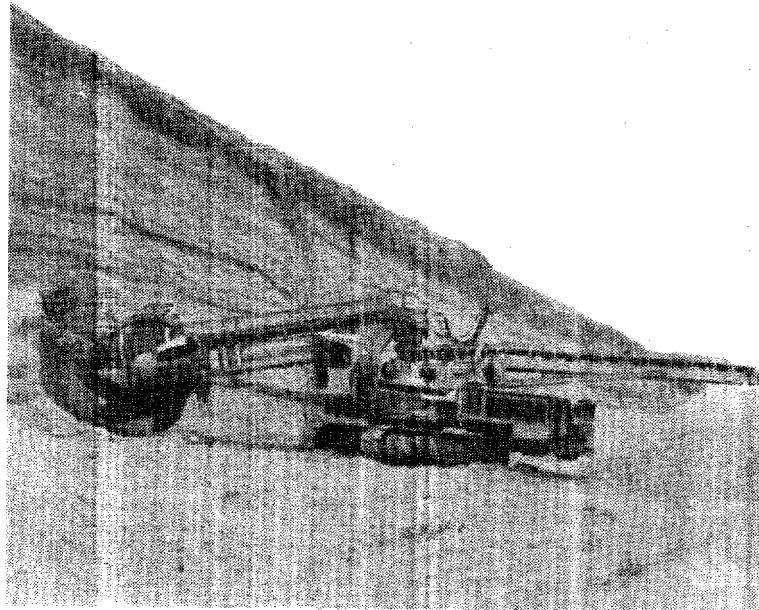
14. A Spanish state mining company, FosBuCraa, is developing the deposits and is expected to ship as much as two million tons in 1974. By 1978 production may reach 6 million tons annually, an output worth around \$389 million at current prices. FosBuCraa has invested at least \$200 million to provide facilities for mining, processing, and transportation. Total investment in the mining complex, including funds from several non-Spanish sources, may run as high as \$480 million.

15. The facilities and methods for handling the phosphate ore are among the most modern in the world. The ore is extracted by open-pit mining, reduced to concentrates at the Bu Craa complex, and then transported on a com-

pletely automated belt conveyor system to ore-loading facilities in El Aaiun. Built by the Krupp Machinery and Steel Construction Company of West Germany at a cost of about \$50 million, the innovative system includes 10 six-mile-long conveyors.

16. Expanding Spanish Saharan phosphate production should find ready buyers abroad. The increasing demand for fertilizers has strengthened the world phosphate market. With assured markets in Spain and low operating and transport costs, Saharan phosphates are in a strong competitive position.

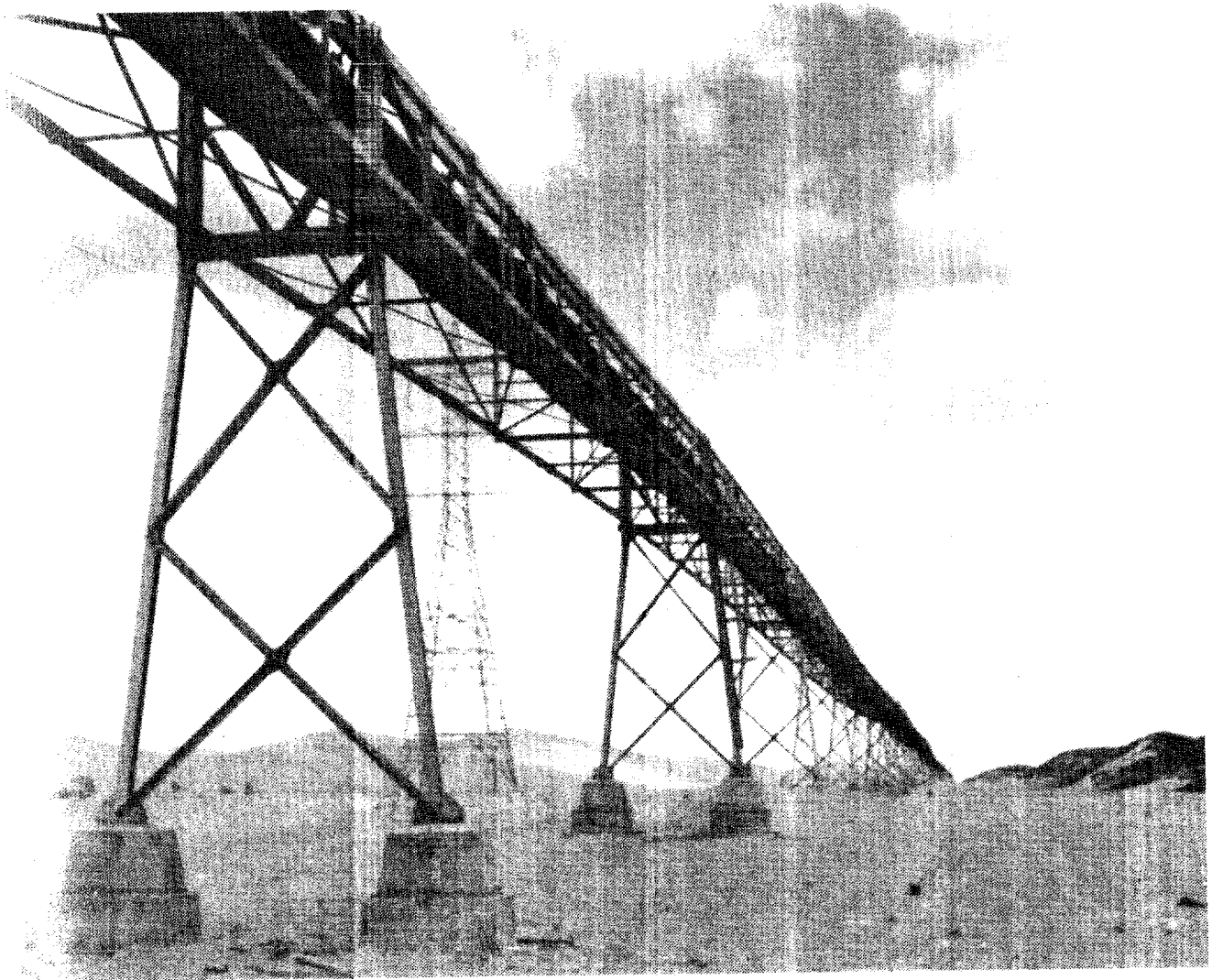
17. Other mineral assets could further increase the value of the territory. Surveys show an estimated 20 to 70 million tons of iron ore are located in the south at Agracha, but the economic feasibility of exploiting these deposits, which contain undesirable amounts of titanium, has yet to be determined. In the late 1950s and throughout the 1960s the



Open Pit Mine near Bu Craa

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Automated Conveyor Belt

Spanish believed that the territory held sizeable petroleum deposits. Concessions for on-shore exploration awarded to several foreign companies proved disappointing and were abandoned in 1969. Since then off-shore concessions have been let to several firms, including US companies, and the search continues.

Peoples of Spanish Sahara

18. Except for Europeans and some sedentary or seminomadic townsmen, most people within the Sahara's borders are pastoral nomads. There is little if any sense of national identification with the political entity known as Spanish Sahara. Indeed, for most of these

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Saharan Family

illiterate nomads, the concept of loyalty does not extend beyond the tribe or clan to which they belong. More often than not, the nomad views the central government as a remote tax collector that has little relevance to or impact on his traditional way of life.

19. Spanish Sahara has an estimated population of 60,000 of which 43,000 are indigenous Africans and about 17,000 are Spaniards. Given their nomadic lifestyle, it is misleading to regard statistics for the Africans as more than approximations. The migration of tribes and clans into and out of Spanish Sahara—determined by rainfall and grazing conditions—can halve or double these figures.

20. The peoples of Spanish Sahara are of Arab, Berber, and black African ancestry. Most of the people are referred to as Moors, who both physically and culturally reflect a historical mixture of Arab invaders and Berber nomads. The latter were probably the original

inhabitants of the area. Black peoples from the south have also contributed to the present population.

21. Saharans can be divided into various classifications based on different criteria such as social or hierarchical ranks, family or ethnographic relationships, and political associations. The most definitive and probably relevant classification in anticipating the future political development of Spanish Sahara is one based primarily on ethnic origins. Using this yardstick, three groups of nomads are significant for the future of Spanish Sahara.

22. The largest group is the Tekna, a relatively peaceful herding people who live in southern Morocco and northern Spanish Sahara. Many Tekna in the Sahara speak a Berber dialect and migrate to Morocco for at least part of the year. Moroccan authorities no doubt depend heavily on Tekna nomads for information on conditions inside the Span-

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ish territory. Since 1958, a number of Tekna who formerly lived south of the boundary have remained in Morocco, probably fearing Spanish reprisal for some assistance they gave to insurgents from Morocco.

23. The Reguibat group is probably the most powerful of the Saharan peoples in Spanish Sahara. Called the "Blue People" because the indigo dye used on their clothing rubs off on their skin, they range with their camels across wide expanses of southern Morocco, Algeria, Spanish Sahara, and Mauritania. They are known for their ferocity, pride, and ability with firearms and have dominated the eastern part of the Spanish province for a considerable period of time.

24. The allegiance of the Reguibat, who are no strangers to gun running and desert intrigue, has been greatly sought after by competing political interests in the area. To date, however, they seem to have successfully resisted these attempts. As far back as the turn of the century, German and Spanish agents helped Morocco to arm the Reguibat against French colonial expansion. The Reguibat were behind several incidents that preceded the brief Moroccan-Algerian border conflict in 1963. They also were prominently involved in anti-Spanish demonstrations in El Aaiun in 1970, in which several persons were killed and many more wounded.

25. A third group, the Ulad Delim, inhabits the southwestern portion of Spanish Sahara. Although formerly a much stronger political force, the Ulad Delim remain important in the province. They are more Arabized but less numerous than their chief rivals, the Reguibat. Large numbers of Ulad Delim and closely associated peoples live across the border in Mauritania.

Country Positions

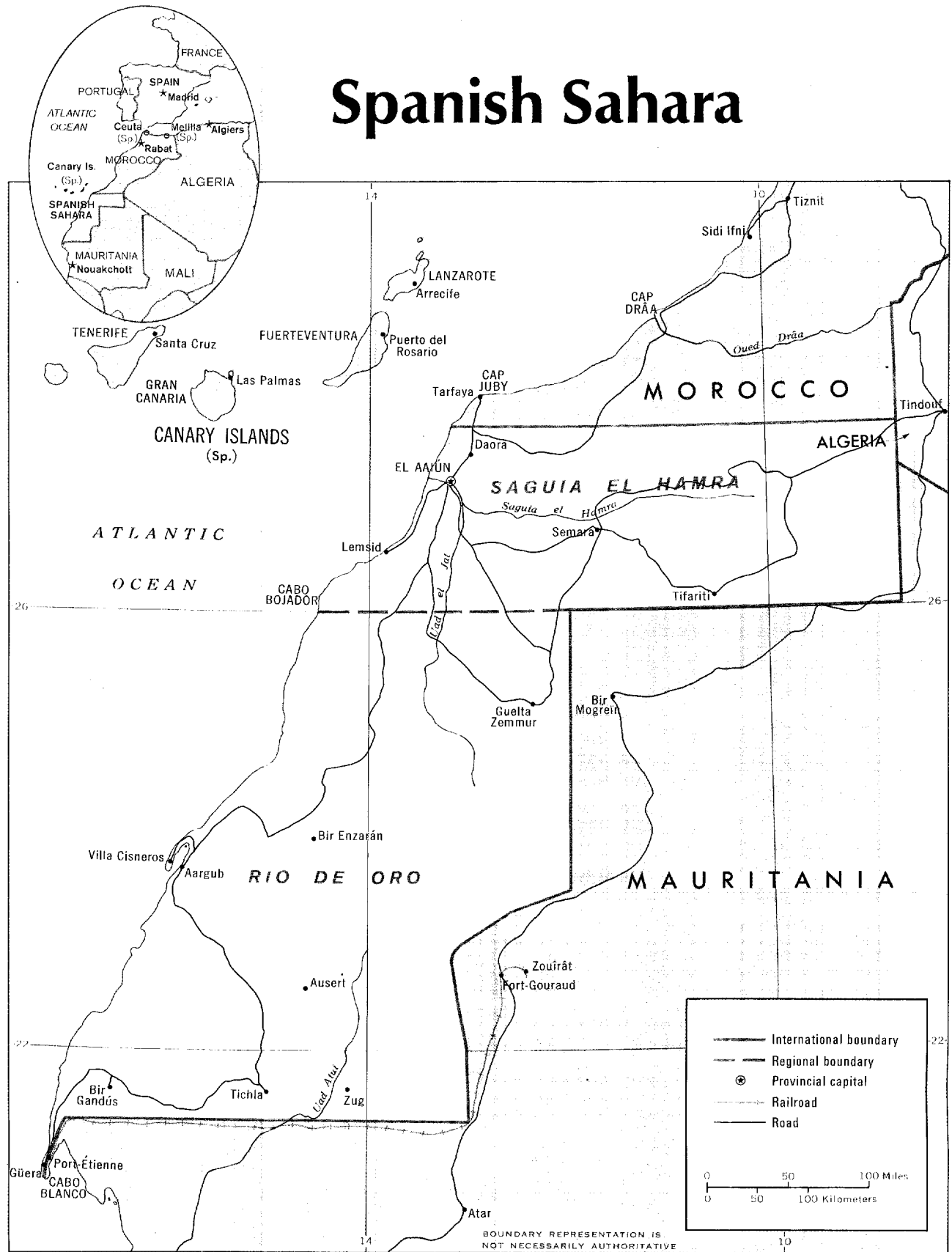
Spain

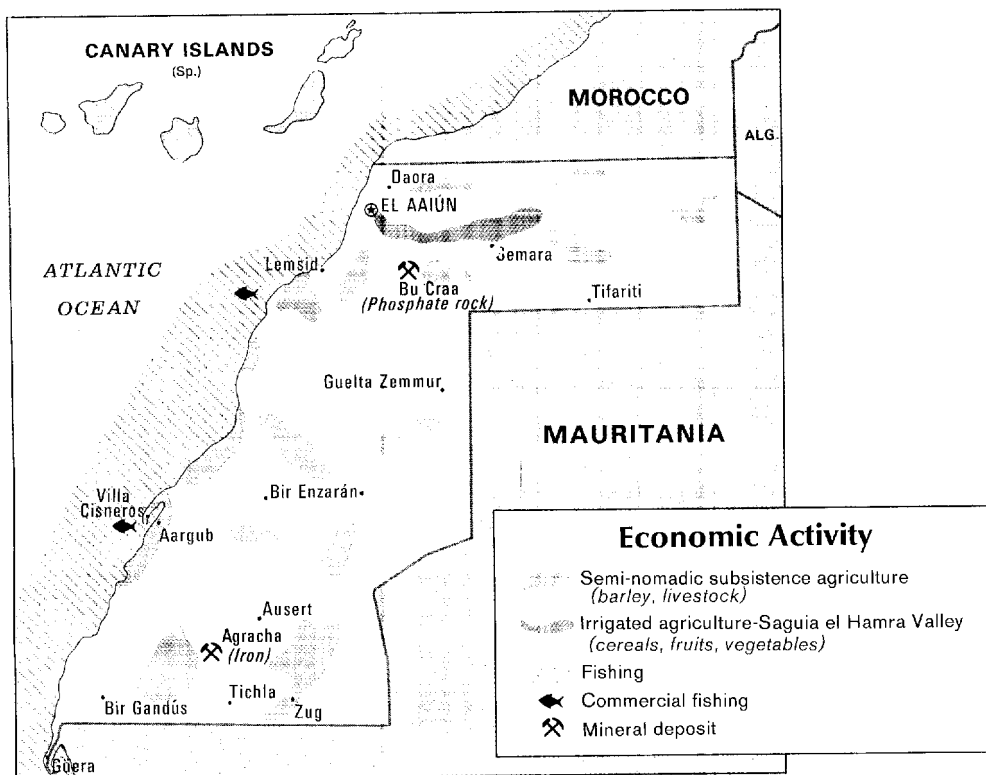
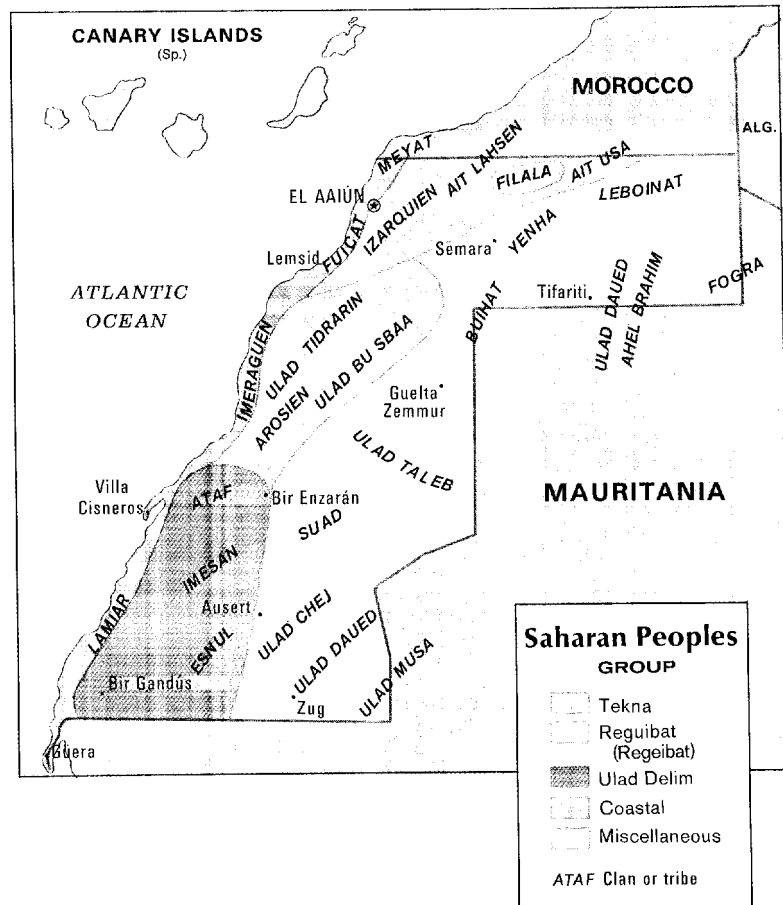
26. In the face of Morocco's irredentist claims and anti-colonialist sentiment in the UN, Spain has counted more on diplomacy than military strength to retain the Sahara. Madrid has played on the mutual suspicions of the three African states that have rival interests in the area, while maintaining generally good bilateral relations with each one. In the early 1960s, taking advantage of Moroccan claims to Mauritania and western Algeria, Spain encouraged Mauritania to stake its own claim to Spanish Sahara and Algeria to assert its right, as a neighboring state, to have a voice in the disposition of the territory. There are Spanish embassies in each capital, and modest assistance programs have been undertaken in each country.

27. Madrid's control of Spanish Sahara has been the subject of a number of resolutions in the UN General Assembly. After the first such resolution in 1965 calling for decolonization of the territory, Spain announced the following year that it agreed in principle to self-determination for the people of Spanish Sahara. Until 1969 Spain regarded these resolutions as innocuous, and in fact voted for them. Madrid began to abstain, however, when criticism of Spanish delaying tactics increased, and resolutions began to refer to the "so-called" Spanish Sahara. Spain nonetheless wants to appear forthcoming because it seeks support for its position on Gibraltar in the same Committee of 24 that considers the Sahara question. Moreover, the arguments that Spain advances to support its claim to Gibraltar could easily be used against continued Spanish control of its Saharan province.

28. Last September General Franco announced that Spanish Sahara would be permitted self-government as a necessary prepara-

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tion for self-determination, but he gave no timetable. In early July 1974, however, Madrid told the ambassadors of Morocco, Algeria, and Mauritania that it was preparing to implement a new policy of increased autonomy for its overseas province. Subsequently, on August 20, Madrid notified the UN Secretary General that a referendum to decide the political future of Spanish Sahara will be held in the first half of 1975 under UN supervision. Madrid declared that its decision was consistent with UN resolutions calling for self-determination for the peoples of the territory.

29. Although there is probably some sentiment, particularly on the part of older military officers, to hang on in the Sahara, Madrid appears determined to withdraw. Spain clearly wants to:

- head off criticism in the UN this fall;
- avoid replacing Portugal as the focus of anti-colonial rhetoric; and
- maintain its assiduously cultivated good relations with the Arab states.

30. At the same time, however, the Spanish will be working to protect their economic and security interests in the area. Spain will at least want to recoup its \$200 million investment in the Bu Craa phosphate mine. Madrid may even seek to retain an interest in the increasingly profitable operation (see section on economic importance). Madrid may also try to extract from Morocco concessions relating to fishing rights in Moroccan waters or even compensation for expropriated Spanish lands.

31. Madrid views the Sahara as important to the security of the approaches to the Canary Islands, only 60 miles offshore, and has expressed concern over the possibility that an unfriendly government might establish itself

in the province. Spain might insist on the retention of base rights in the northern Sahara. Although Morocco has not threatened the Spanish enclaves of Ceuta and Melilla, which the Spanish consider an integral part of Spain, Madrid will probably seek to ensure that any concessions made to Morocco in the Sahara are accompanied by Moroccan assurances concerning the enclaves.

32. Spain desires to maintain its good relations and expanding commercial ties with Algeria, one of the interested parties, and will seek to ensure that any agreement with Morocco is acceptable to Algiers.

Morocco

33. Morocco has been the most active claimant to Spanish Sahara and periodically has sought to intensify pressure on Madrid to honor Rabat's irredentism.

34. Hassan is convinced that Spain will not wish to remain for long as the only significant colonial power in Africa.

35. When Hassan learned in early July that Madrid was about to grant increased autonomy to its overseas province, he reacted sharply. He immediately sent a letter to General Franco warning that such a move would lead to a deterioration in relations. The King followed up with a speech on July 8 in which he emphasized that he could not permit the establishment of a puppet state in the Sahara, and implied that if discussions failed, other means would be pursued.

36. Morocco subsequently initiated a major diplomatic campaign to pressure Spain to abandon its plans for greater autonomy for its Saharan province. In late July and early August, Moroccan emissaries visited various Arab and African capitals as well as Asian and East European countries to seek international sup-

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port for Rabat's position. Although the Arab and African states will back a demand that Spain leave, they are not inclined to support Morocco's territorial ambitions, especially in view of Mauritania's rival claim to the area and Algeria's insistence on a role as an interested party.

37. Eastern Arab countries, always reluctant to take sides in an inter-Arab quarrel, want to avoid any dispute that could weaken the appearance of unity on the far more important question of a Middle East peace settlement.

38. Morocco has also engaged in saber-rattling to gain advantage in its dispute with Spain. Since late July, Rabat has placed its armed forces on temporary alert, cancelled all leaves, and mobilized some reservists. Approximately one quarter of Morocco's ground forces have been deployed to southern Morocco. Additional troops have been sent near the Spanish enclaves of Ceuta and Melilla in the north. Although these enclaves have not been an issue in the current controversy, King Hassan apparently wants to remind Madrid that the two cities are vulnerable.

39. King Hassan hopes that his campaign to reclaim Spanish Sahara will strengthen his domestic position and distract attention from his country's political and economic problems. Given the strong irredentist sentiment shared by many Moroccans, the King might be willing to use limited force to back up his claim. As it has in the past, Morocco might again send armed tribesmen across the border to provoke clashes and attract international attention in order to increase pressure on Spain for a settlement favorable to Morocco. Conversely, a failure to achieve annexation of at least part of the territory might create severe domestic pressures on Hassan. He may have pushed the issue too far to retreat gracefully.

40. So far, however, Morocco has been circumspect in using military pressure tactics. King Hassan wants to create a sense of urgency, but he does not want to close the door to continuing dialogue with Madrid. The King received a letter from General Franco in late July urging bilateral talks, and the Moroccan prime minister and foreign minister visited Madrid on August 12-14 to begin negotiations. Although there was no significant movement by either side, the positive tone of the joint communique and initial Moroccan press reactions set the stage for further bilateral meetings.

41. Madrid's subsequent decision to hold a referendum in the territory in 1975 caused King Hassan to attach tough conditions to Morocco's agreement to a referendum. He insisted that any vote must occur under international control after Spanish troops and administration had been withdrawn. He further indicated that he would oppose holding the referendum if the principle of independence for Sahara were included. In the past, Rabat had implicitly accepted independence as one option, provided the 20,000-25,000 Saharans it claims live in Morocco were allowed to vote.

42. If Spain withdrew its troops prior to the referendum, Hassan might be tempted to push across the border. If a referendum went against Moroccan interests, Hassan might move to annex the territory forcibly, in the hope that Algeria would not react militarily.

43. Morocco's is the one claim that cannot be ignored. Hassan may be staking out a maximum position in his recent pronouncements, but he will need to show some gain for his efforts. He would, however, be willing to meet Spain's primary concerns. In exchange for recognition of Moroccan sovereignty over the territory, Rabat has offered to make concessions such as granting base rights for pro-

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tecting the Canary Islands and a joint venture with Spain to exploit the territory's phosphate deposits. While this solution would satisfy Spanish strategic interests and Moroccan territorial claims, it would be unacceptable to Algeria and Mauritania.

Mauritania

44. Mauritania is less interested in pressing its claims than in countering Morocco's. It has not forgotten that "greater Morocco" also included Mauritania, and fears Rabat might not be satisfied with the acquisition of Spanish Sahara. Mauritania's primary concern is to avoid sharing a common border with Morocco. A buffer state under Spanish or independent rule best serves Nouakchott's needs.

45. To date, the Mauritians have been publicly cautious in reacting to Morocco's intensified campaign to recover Spanish Sahara. They have previously relied on Algerian support to defend their interests. If Algerian backing seemed to dwindle, however, Mauritania might well undertake a diplomatic offensive on its own in Arab, OAU, and Third World circles.

46. In early August the Mauritanian foreign minister publicly supported self-determination for the peoples of Spanish Sahara even though the area was "Mauritanian territory." He later termed the Spanish referendum proposal a positive step forward. He also reiterated an earlier call for renewed consultation with Algeria and Morocco. Tripartite talks between these countries have been held occasionally since 1970, but their conflicting interests have prevented any agreement on practical steps to hasten decolonization of the Sahara.

47. In an apparent attempt to revive these consultations Mauritanian President Ould Dadah visited Algiers and Rabat during the second week of August. At the end of his visit in

Algiers, the government-controlled press there published a carefully worded editorial that implicitly criticized Moroccan tactics on the Saharan question, but avoided outright rejection of Morocco's claims. In Rabat, both heads of state minimized their differences in public by agreeing to maintain contacts regarding the liquidation of colonialism, while avoiding any reference as to who gets what when the Spanish leave.

48. The military option is foreclosed to Mauritania unless it were to receive substantial support from Algeria.

Algeria

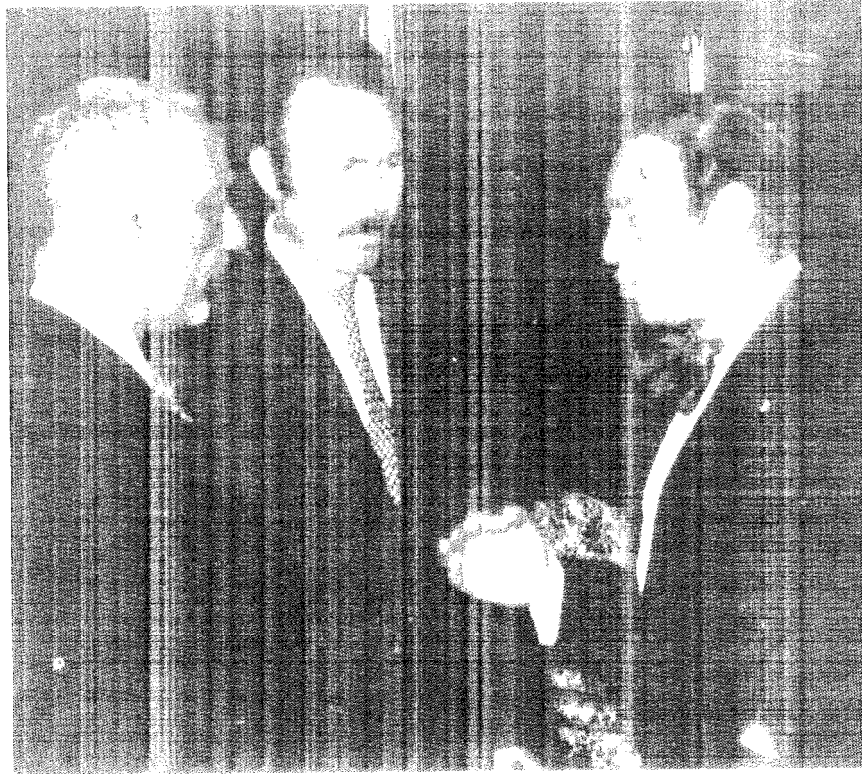
49. Algeria makes no territorial claims of its own to the Sahara, although it has steadfastly maintained that it is an interested party with political and security interests to protect. In keeping with its carefully cultivated anti-colonial image, Algeria has publicly supported decolonization of the Spanish province.

50. The realities of Algeria's position are far more complex; Spanish Sahara is but one aspect of the larger problems of overall relations with Morocco and Maghreb stability. The suspicious Algerian mentality views all neighbors as potential enemies—especially Morocco, with a political system and ideology that differs radically from Algeria's. The visions of an irredentist Morocco, which in the past laid claim to part of Algeria, and memories of the 1963 border war have not faded. Rabat's failure to ratify an agreement signed in 1972 that renounced all Moroccan claims to Algerian territory remains a sticking point in relations with Algeria, which unilaterally ratified the agreement last year.

51. Thus far President Boumediene has done nothing to oppose King Hassan's current efforts to have the Saharan issue settled in his favor. The Algerian leader's preoccupa-

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1973 summit meeting on Spanish Sahara in Agadir, Morocco. From left to right: Mauritanian President Ould Daddah, Algerian President Boumediene, Moroccan King Hassan.

tion with matters such as OAPEC oil policies, the Middle East question and Palestinian rights, and various domestic issues may account for his silence. He may prefer that the Saharan issue not come to a head now, and may avoid taking a public stand for as long as possible.

52. Avoiding public involvement in the controversy does not mean that Algiers will acquiesce to Moroccan annexation. Algeria does not necessarily wish to see an extension of Moroccan sovereignty. Algeria has large deposits of iron ore in the Tindouf region near the border with Spanish Sahara and may

eventually wish to export the ore through the Sahara.

53. On the other hand, Algeria may view good relations with Morocco, including Rabat's ratification of the border agreement as more desirable than opposing Morocco's claim to Spanish Sahara. Moroccan aggrandizement in Spanish Sahara would not significantly alter the strategic economic balance between Morocco and Algeria.

54. Algeria cannot easily discount Mauritanian interests, however. The relationship between Boumediene and Ould Daddah is close. Algeria values the concept of Arab

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solidarity. In this arena, Mauritania matters as well as Morocco.

55. A senior Algerian official has indicated [] Algiers continues to support UN resolutions calling for self-determination for the peoples of Spanish Sahara. He added that perhaps the best solution would be a referendum held under UN auspices leading to independence, guaranteed and supported economically by Spain and the three neighboring African states. Although Saharans would have the option to merge with Morocco, he expressed confidence that they would choose independence in any fairly conducted referendum.

56. Algeria's faith in the referendum results thus puts it against Morocco which wants a referendum only under stringent conditions that would not permit the option of independence.

57. Politically, Algeria is capable of foiling Moroccan designs for enlisting Third World support on Spanish Sahara. If pressed to take a stand, Algeria could use its considerable influence in the Arab League, the Nonaligned Movement, the OAU and the UN to mount a campaign in support of self-determination as called for under existing UN resolutions. When Algerian Foreign Minister Bouteflika becomes president of the UN General Assembly this fall, he will be in an ideal position to coordinate such an effort.

58. It is less clear, however, that Algeria would challenge Morocco, if Hassan, frustrated in his attempts to achieve a political solution, chose the route of military conquest. If Algerian and Moroccan forces engaged in hostilities, the outcome would be unpredictable. Algerian forces are better equipped and trained, but some Moroccan troops were recently tested in the Syrian front. Also the Moroccans would be fighting for the

concept of greater Morocco, and they were the victors in the 1963 border war.

Outlook

59. Spain is searching for a compromise that will permit Madrid to appear responsive to UN resolutions calling for a referendum on self-determination and to preserve good relations with the Arab world by conciliating Algeria and, to a lesser extent, Mauritania. It also wants to maintain good relations with Morocco and protect its economic investment in Spanish Sahara, and claims it needs security guarantees to protect the approaches to the Canary Islands.

60. The proposal to hold a referendum under UN auspices meets the concern over the UN and possibly Algeria and Mauritania. An agreement acceptable to Morocco best satisfies the remaining requirements.

Referendum

61. Madrid's decision to hold a referendum in the Sahara under UN supervision next year seems to have committed Spain to this course of action. The three African parties interested in the future of the territory will disagree on the terms for such a referendum. Morocco may continue to insist on pre-conditions for a referendum, such as omission of independence as an option, that are unacceptable to Algeria and Mauritania. Even under UN auspices, it would be next to impossible to ensure an honest referendum and the results might immediately be challenged by one or another of the interested states. Moreover the Saharans, including the ones in Morocco, may be less favorably disposed to Morocco than Rabat assumes, and with Spanish encouragement may vote against union with Morocco. Rabat claims it would reject anything short of a clear vote for union with Morocco. Independence would create a power vacuum

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with these same states competing for influence; armed conflict would be difficult to avoid.

Guaranteed Agreement

62. Given the likelihood of instability, Madrid might seek prior agreement among the neighboring states so that all four states would have a vested interest in the new country, perhaps as guarantors of its independence, and would provide economic assistance. This would allow Spain to comply with existing UN resolutions and to shift considerable responsibility to the Africans for ensuring the viability of an independent Sahara. Algeria prefers this alternative and Mauritania would willingly accept it.

The Potential for Conflict

63. Morocco would oppose any agreement that permitted Spanish Sahara to become independent. It fears an independent Sahara would be dominated by Algeria and Mauritania; the former because it is an important political actor in Arab and Third World arenas; the latter because it shares with Spanish Sahara an ethnic and cultural identity.

64. Morocco would actively oppose this solution and might use tribesmen in southern Morocco for guerrilla activity or regular ground forces for limited commando raids. The Spanish would oppose such incursions but would probably not retaliate across the Morocco border. Spain will respond if attacked, but has little inclination to become embroiled in a conflict defending a territory it has decided to relinquish.

65. Rabat could also exert pressure on the Spanish enclaves of Ceuta and Melilla in the north by cutting off water supplies and the flow of tourists through these points into Morocco. Without water, they would be difficult to defend and resupply would be costly.

Spain might also react militarily if seriously provoked.

66. Morocco might also make a military move if Spain withdrew its troops after granting independence. Under these circumstances, Rabat would gamble against Algeria's attempting to counter its military advance. The Algerian reaction is difficult to predict. CIA believes that an Algerian-Moroccan military confrontation would be a distinct possibility, although Algiers would first exhaust all diplomatic options. State/INR believes Algeria's recent public silence on the Sahara question may well reflect an unwillingness to provoke Morocco on an issue in which it has no overriding interest. Moreover, INR finds no evidence to indicate that Algeria has yet mounted a serious diplomatic campaign to thwart Moroccan ambitions in Spanish Sahara. On balance (and admitting the paucity of information available), INR considers that Algeria is not presently contemplating hostilities with Morocco over this issue—notwithstanding some indications of Moroccan apprehensions to the contrary.

Negotiated Withdrawal

67. Failing an agreement on a referendum, Madrid may turn to direct negotiations leading to an orderly withdrawal from Spanish Sahara. Madrid might first seek a bilateral deal with Morocco. King Hassan has reiterated his belief that this would be the best solution and has suggested that such talks might be facilitated by a UN mediator.

68. In exchange for recognition of Moroccan sovereignty over the territory, Rabat has offered to make concessions such as granting base rights for protecting the Canary Islands and a joint venture with Spain to exploit the territory's phosphate deposits. While this solution would satisfy Spanish strategic interests and Moroccan territorial claims, it would be

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unacceptable to Algeria and Mauritania. The Algerians could be expected to use every possible diplomatic means to block such an agreement and might resort to force if they were not a party to a settlement. Mauritania would follow Algeria's lead.

Partition: A Possible Compromise

69. Faced with opposition to a bilateral settlement, Spain might draw Algeria and Mauritania along with Morocco into a series of extended negotiations. Barring a breakdown of talks, a compromise solution partitioning Spanish Sahara might emerge that would:

- give Morocco the smaller northern region with its phosphate deposits,
- guarantee Algeria transit rights for its mineral exports,
- give Mauritania the larger southern portion containing iron ore, and
- grant Spain residual base rights and participation in the exploitation of the area's mineral wealth.

Such a compromise would seem to meet the interests of Spain, Algeria, and Mauritania. Morocco wants outright annexation of all the territory, but in the end it might be forced to settle for less to avoid a conflict.

US Interests

70. Spain's importance to the US is due primarily to the strategic value of its geographic location at the western entrance to the Mediterranean. The US has four major bases in the country [redacted]

[redacted] and reserve storage depots. There are approximately 9,500 military personnel in Spain and some 37,500 American citizens reside there. As of mid-1973, the US had provided Spain \$836 million in military

aid and sales and slightly more than \$1 billion in economic assistance under a defense and economic assistance agreement first signed in 1953. American direct investment in Spain is at least \$900 million, with more than \$100 million in new investment each year. To protect these interests, the US has maintained close bilateral ties with Spain and encouraged Madrid's general pro-Western political and economic orientation, basic commitment to the defense of the West, and ultimate participation in the EC and NATO.

71. The Spanish claim a six-mile territorial sea and recognize only the right of innocent passage through the Straits of Gibraltar; in practice they have not questioned submerged submarines transiting the straits. A six-mile territorial sea measured from the Spanish mainland and the enclave of Ceuta in Morocco, together with the doctrine of innocent passage, theoretically puts Madrid in a position to control the entrance to the Mediterranean thereby rendering Gibraltar useless to the UK or NATO. In effect, the Spanish are equally interested in observing Algerian and Moroccan activities from these vantage points. Although the Spanish do not expect they would be allowed to exercise such control, they can use their position to enhance their bargaining position in a settlement of the Gibraltar dispute and membership in NATO.

72. Like Spain, Morocco's strategic importance to the US derives from its location at the western entrance to the Mediterranean. An unfriendly government in Morocco could threaten to extend its territorial waters and interpret strictly the doctrine of innocent passage to impede free passage through and over the Straits of Gibraltar. The US has no mutual defense commitments with Morocco.

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[REDACTED]
[REDACTED] There are approximately 1,100 military personnel and 1,500 private American citizens in Morocco. US military assistance, grant and sale, totaled about \$112 million through mid-1973, and a major arms sales package is under consideration. US economic assistance for the same period totaled about \$806 million, of which more than half consisted of loans. American private investment is estimated to be \$70 million.

73. The US has only limited interests in Mauritania. Washington has no important treaties or agreements with Nouakchott. There is no fixed US investment in Mauritania, but US oil companies engaged in exploration there have already spent some \$20 million. US economic assistance through mid-1973 totaled nearly \$8 million. The total American presence there is 23.

74. Despite major policy differences on international political issues, US cooperation with Algeria has been increasing in the economic field. The primary US interest in its relations with Algeria is to insure continued access to Algeria's natural resources through long-range cooperation agreements. Algeria has the fourth largest proven reserves of natural gas in the world and produces about one million barrels per day of low sulfur crude oil. The Boumediene government is firmly committed to rapid industrialization financed by the sale of oil and gas. It sees the US as a major market for these products and as a source of capital and technology.

75. Before Algiers broke relations with the US in June 1967, the US had provided \$180 million in economic assistance, primarily grant food aid. US direct investment is small but Algeria offers an expanding market for US

goods and services. The total American community is approximately 700.

Implications for the US

76. The US has no important interests in the Sahara. US Steel has not responded to a Spanish approach to invest in the phosphate mining complex. Our primary concern is the stability of the region. The US has sought to remain on good terms with all parties concerned and has expressed the hope for a peaceful settlement between Spain and Morocco that takes into account the concerns expressed by Algeria and Mauritania.

77. Nevertheless, if such a settlement cannot be achieved, and Morocco's hardening position makes it at least questionable, the Spanish Sahara issue poses certain problems for the US. The question of the referendum may well arise in the General Assembly; Morocco has also indicated that it may ignore a UN resolution to carry out the referendum if independence for Spanish Sahara is included as an option. The US may be subjected to pressures from both Madrid and Rabat.

78. As a major arms supplier to both Spain and Morocco, the US is vulnerable to charges of aiding an arms build-up in an unstable area.

79. If Morocco presses for annexation and fails, Hassan may be subjected to internal pressures that could topple him.

80. A solution that would be acceptable to both Rabat and Madrid might be in the best interests of the US, since Morocco's is the claim that will not be dismissed. Such a solution, however, might alienate Algeria and Mauritania and create problems with other Third World countries for which the option of self-determination is of the greatest importance.

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